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DCI/IS-73-1090

September 25, 1973

MEMORANDUM FOR: Mr. Colby

SUBJECT: Economic Intelligence "Process"

1. This is a highly aggregated summary of thoughts I had before, during and after your meeting yesterday on Secretary Shultz's letter. I think the fiscal policy (and intelligence) problem can be understood better if likened to the national security policy (and intelligence) problem prior to the Unification act.

2. What needs doing in the economic intelligence area is, I think, the following.

a. Define the problem: i.e., make sure by some means -- maybe NSCIC or an augmented subset of NSCIC -- that policy-makers have some consonance of view on what is wrong now. No doubt a side effect of this will be the necessary definition of many terms used in economic intelligence that have no common meaning.

b. Describe the decisionmaking process for fiscal policy. This will make evident the "pressure points" at which intelligence inputs will have a constructive effect, and might begin to illuminate what the inputs should be.

c. Define roles of the various agencies with respect to collecting and producing intelligence. For example, some possibilities in this -- thinking for example of USDA as customer -- are (1) do-it-yourself, overtly overseas or domestically; (2) let State do it overseas; (3) contract with universities, non-profits or industry and lastly, but only lastly, (4) go to the intelligence community.

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d. Establish effective communications and "mobilization" means so ideas will circulate and so that NSSM-type economic studies will be accomplished with the discipline of NSC staff activities. Mr. Shultz -- or his alter ego -- will have to become motivated to a czar-like role in fiscal policy study activities.

e. Invent mechanisms for diffusion of intelligence to the user (industry) community. There are analogs to DOD activities which might be useful and there are business forums which might be adapted to this function. (I have written down some ideas on this if this seems useful.)

f. And finally, after the foregoing, configure, elaborate and tune the functions of the intelligence process as they apply to economic and fiscal needs. - *new analytic methodology*



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